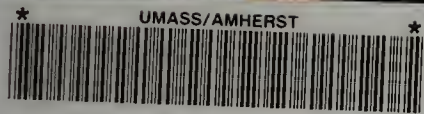
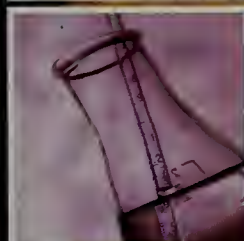


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# MASSACHUSETTS



MASSACHUSETTS  
POWERED BY INGENUITY

The telephone

was born in Massachusetts  
in 1875

A century later, in 1977, the  
first commercial use of  
fiber optics also occurred  
in the Bay State





## Powered by Ingenuity

The telephone was invented here, as were fiber optics. The first railroad, the first electrical transformer, even the first computer, all were invented right here in Massachusetts. And that's just the beginning. From the first mutual fund to the first use of anesthesia to the first subway system, Massachusetts has led the way in innovation and ingenuity. In fact, Massachusetts' ingenuity has led to the creation of entire new industries such as biotechnology, computers, software, plastics, telecommunications, and advanced materials.

Companies big and small, foreign and domestic, all find that a unique set of conditions exists in Massachusetts to give them the competitive advantage necessary to succeed in today's marketplace.



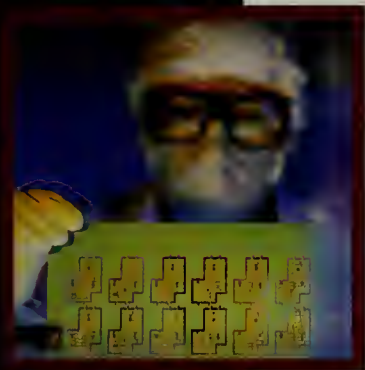
The

mutual fund was  
invented in

Massachusetts

in 1924





## The Ideal Place to Grow a Business

From its world-class universities and hospitals, to its vibrant economy, to its broad base of support industries, Massachusetts has all of the ingredients your business needs to thrive:

- One of the most highly educated workforces in the nation. Massachusetts has the highest concentration of colleges and universities in the United States. Combined, these institutions have produced half of all the Nobel Prize winners in the country.
- Formidable competitors in every field that push companies and their employees to new levels of proficiency.
- An extremely capable group of local suppliers that give businesses a strong support network and a distinct competitive advantage.
- A well-developed infrastructure to move people, goods and information rapidly.
- A government that encourages and protects this unique business environment.

Massachusetts has the highest concentration of colleges and universities in the United States, which have produced half of all the Nobel Prize winners in the country.

To ensure that Massachusetts continues to thrive, the Commonwealth has dedicated itself both to providing the highest quality education for its citizens and to eliminating restrictions on businesses. We have championed an aggressive strategy of across-the-board tax cuts and targeted tax credits to encourage economic growth.



The first

American university, Harvard,  
was founded in  
Massachusetts  
in 1636



# The Competitive Advantage

One of the most prominent features of a vibrant business climate is the formation of “clusters” of competitive companies. Massachusetts is home to a dynamic array of clusters which encompass several key industries.

## SOFTWARE

Interactive computing, the first electronic spreadsheet, and many other software applications and technologies were invented here in Massachusetts. The Commonwealth boasts over 2,750 software and interactive companies, including global leaders such as Lotus, Parametric, Lycos, Avid Technology and Keane. The Massachusetts software industry generates \$9 billion in revenue annually and employs more than 130,000 people.

## HEALTH SERVICES

Massachusetts is renowned for its concentration of world-class health care and medical research facilities. The industry draws scientists, doctors and patients from around the world. In 1998, the employment in our health services industry was 329,000. Massachusetts accounts for over \$1.2 billion in National Institute of Health (NIH) research grants.

## BIOTECHNOLOGY

Biotechnology, the commercialization of modern biology, was born in Massachusetts as a result of the research conducted at the state’s world-class academic and medical institutions. The first biotechnology firm in the state, Biogen, was founded in 1979. Since then, the industry in Massachusetts has grown to more than 250 companies. Companies such as Millennium Pharmaceuticals, Genzyme, and Genetics Institute have all made Massachusetts their home. The Massachusetts Biotechnology Park, located adjacent to the University of Massachusetts Medical Center in Worcester, includes over 700,000 square feet of laboratories, offices and bio-processing facilities. Additionally, the Massachusetts Biotechnology Council, a private, non-profit trade association representing biotechnology companies in Massachusetts, helps biotechnology companies achieve their full potential through networking and business development programs.

## TELECOMMUNICATIONS

Massachusetts is the cradle of the global telecommunications industry, and over the past century has maintained its position as a leader in technological innovation.

Supported by an unmatched network of educational establishments and financial institutions, the state’s telecommunications sector continues to post record growth and revenue figures, while creating one in five of all new jobs over the past six years, now employing more than 100,000. In 1998, the industry generated revenues approaching \$44 billion, a more than fourfold expansion since 1993.

The telecommunications industry in Massachusetts generates revenues approaching \$44 billion.

Driven by leading-edge innovation, the Massachusetts telecommunications economy is home to companies of all sizes and disciplines, and includes industry giants such as AT&T, Lucent Technologies, Cisco, 3-Com, Bell Atlantic, Motorola and Nortel Networks.





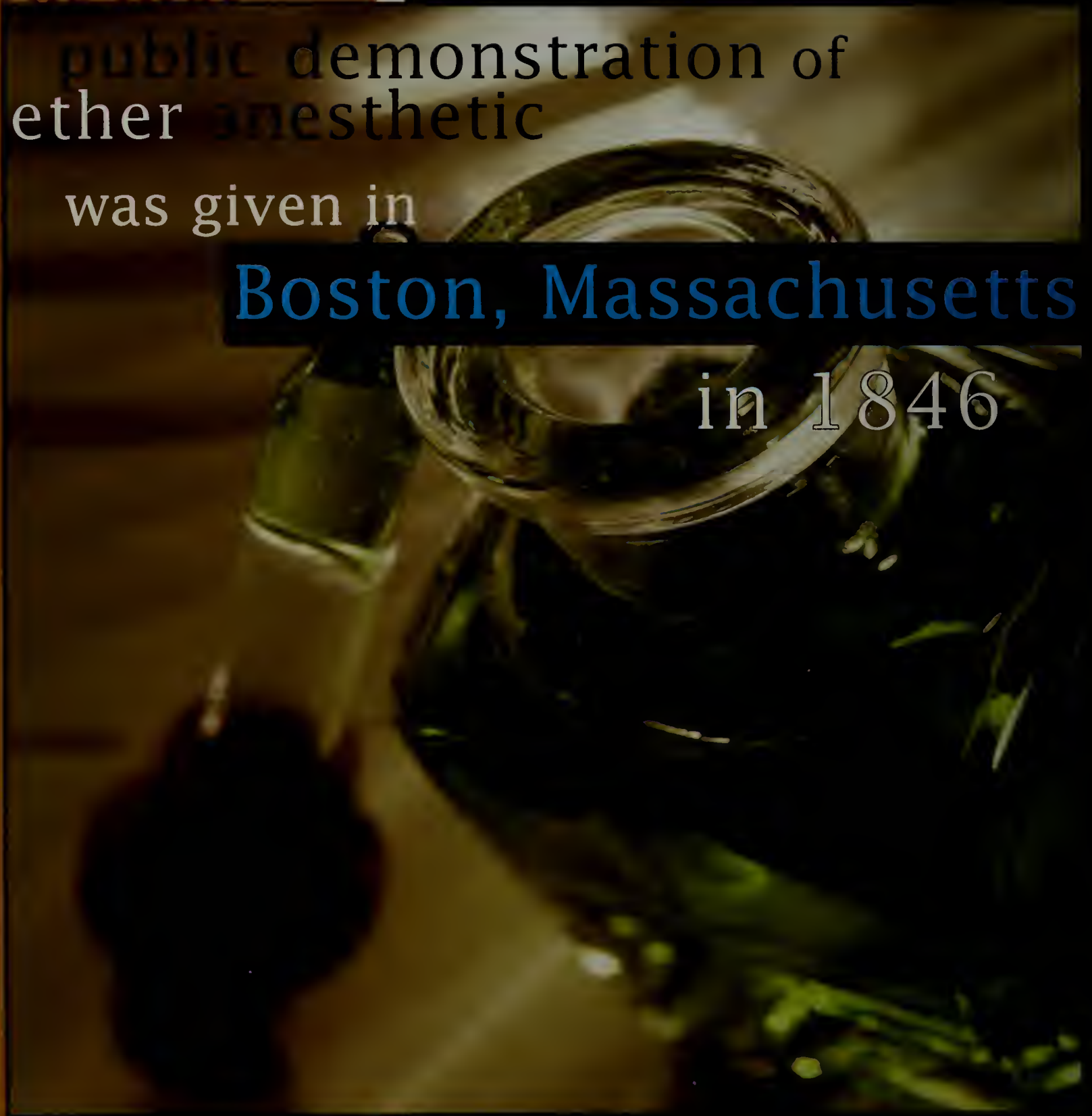
The first

public demonstration of  
ether anesthetic

was given in

Boston, Massachusetts

in 1846





## PHOTONICS

Photonics has emerged as one of the most important technologies of the future. The practical application of light is the next step in the technological revolution. The *Photonics Center* at Boston University is in close proximity to one of the highest concentrations of photonics companies in the nation—Massachusetts accounts for nearly 400 photonics businesses. The Center's mission is to forge true business partnerships with investors and industrial partners, turning emerging concepts in photonics technology into commercial products, and spawning a growing stream of new companies. Local companies include EG&G, Lockheed Martin, and Boston Advanced Technologies.

## ENVIRONMENTAL TECHNOLOGY

Environmental technology is a growing sector in the Massachusetts economy. A combination of factors including aggressive state and federal regulatory initiatives, the support of academic research and assistance, and funding from venture capitalists and bankers has helped to give this industry a head start in getting to the global market first. Massachusetts enjoys a varied workforce and multiple industry sectors to pilot and transfer technologies that are beneficial to people around the world.

## FINANCIAL SERVICES

The mutual fund was invented here in 1924, and since then, Massachusetts has become the mutual fund capital of the world. Today, investment companies in Massachusetts manage over \$730 billion worth of mutual fund services, more than any other state, including New York. Massachusetts is also a leader in mutual fund services "exported" outside the state, with \$662 billion worth of mutual funds services exported. Additionally, the state's banking system ranks seventh in the country in total assets.

Investment companies in Massachusetts manage over \$730 billion worth of mutual fund services, more than any other state, including New York.

## INSURANCE

Massachusetts is a leading insurance center: the state contains the headquarters of 19 major life insurance and 64 major property and casualty insurance companies. While many of these are located in the Greater Boston region, there are sizable concentrations of employment in the Worcester and Springfield areas. The Commonwealth's insurance companies enjoy competitive advantages due to their size, reputation, and diversity.

## ADVANCED MATERIALS

The plastics industry in Massachusetts is one of the nation's largest, with 624 companies and approximately 40,600 employees creating advanced materials used in aerospace, telecommunications, computer hardware and many other industries.

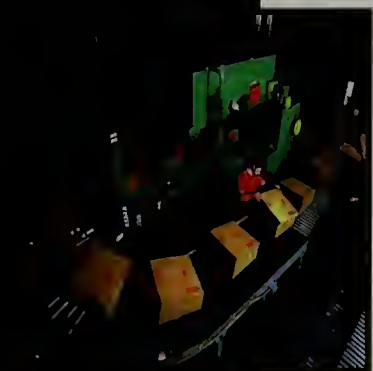
One reason for Massachusetts' strength in this area is the nationally known *Polymer Research Program* at the University of Massachusetts, which harnesses the strength of academia and business to create new plastics and fibers. Many advanced materials are also being developed by a number of Massachusetts companies, such as Norton Diamond Film and Textron Specialty Materials.



The first  
transformer was  
demonstrated in 1886 by  
William Stanley in  
Massachusetts







## MANUFACTURING and OTHER SECTORS

The Commonwealth of Massachusetts has always been a manufacturing center for mass-produced goods such as paper products, machinery, machine tools, chemicals, metals, composite materials, textiles, and footwear. Many manufacturing companies, such as Danaher Tool, Diamond Machining Technology, Lightolier, Malden Mills and New Balance, are leaders in their fields.

Today, Massachusetts firms are adapting to a new form of manufacturing: flexible production using concurrent engineering to produce custom-designed solutions for niche markets. At the University of Massachusetts *Center for Industrial Competitiveness*, research and refinement is in progress on these advanced techniques.

With organizations such as the Woods Hole Oceanographic Institution and Marine Biological Laboratory, Navionics, Inc., Genesis Transportation Group, Inc., and Aware, Inc., Massachusetts' ingenuity has also put the state in a leadership role in industries such as marine science, transportation technology and high-performance computing.

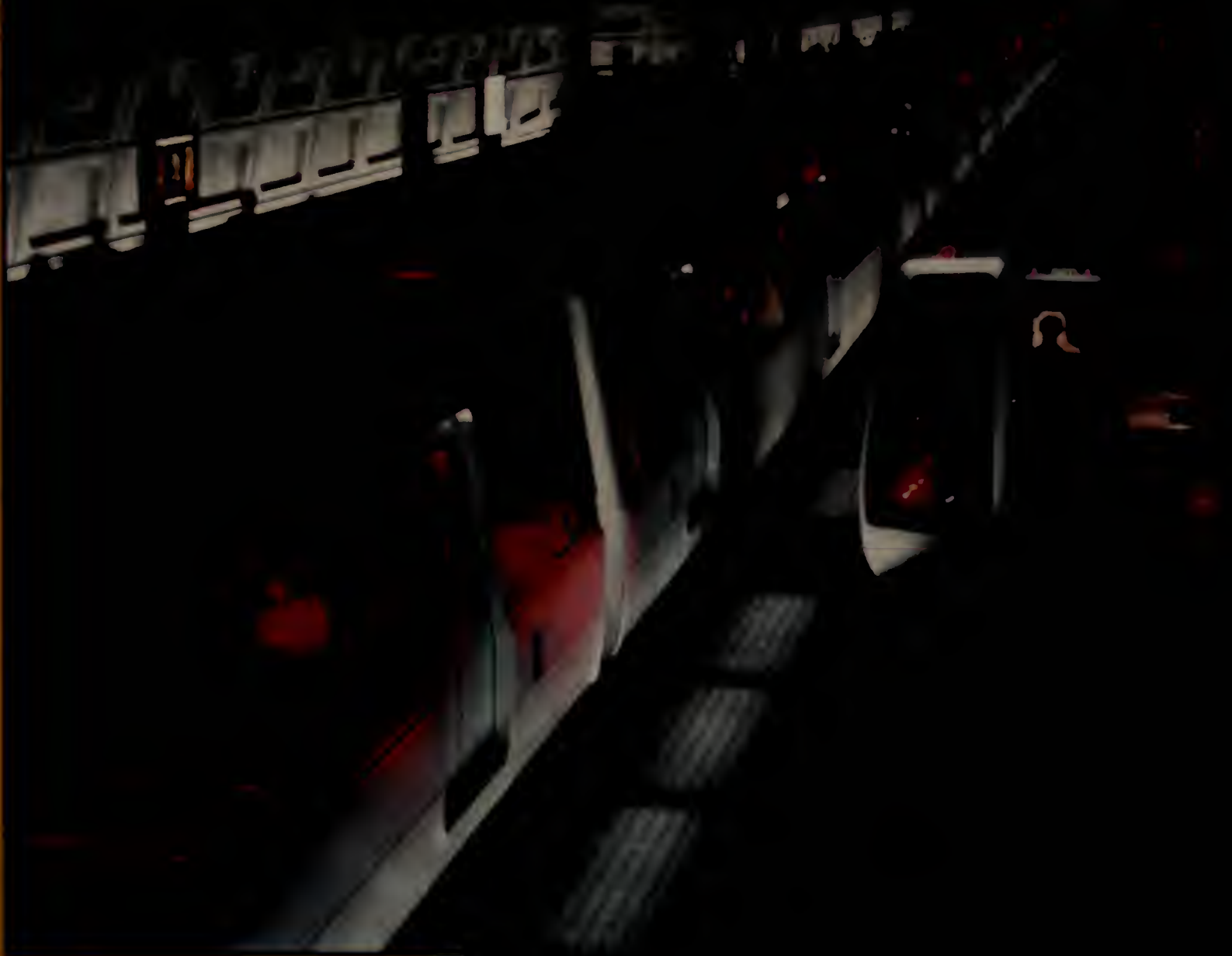
## Public and Private Partnerships

Close cooperation between government and the private sector is a cornerstone to the Commonwealth's economic strategy. This dynamic situation has led to the development of the Tsongas Memorial Auditorium, and the expansions of both the Worcester Centrum and Convention Center and the Springfield Civic Center. An excellent example of this spirit of partnership is the FleetCenter, a state-of-the-art entertainment and transportation complex that has created new jobs, new revenues, and new business opportunities. This new home for the Boston Celtics and Boston Bruins could not have been completed without the countless hours of teamwork and cooperation between government, business, and community leaders.

## A Partner to Business

One of the highest priorities of our government leaders is maximizing the positive influence of the fertile business climate in Massachusetts. The Commonwealth's objective is to position itself and its businesses so that they can compete vigorously in the global marketplace. Government officials have taken important steps to support growing businesses.

The first  
American railroad  
was built in 1826 in  
Quincy, Massachusetts







## Initiatives

Here are some of the specific steps Massachusetts has taken recently to encourage investment and keep our state at the forefront of American business:

- Reduced workers' compensation premiums by 48% since 1993, saving employers more than \$2 billion. The 21.1% drop in 1998 was the largest reduction in state history.
- Stabilized and cut unemployment insurance rates, saving employers over \$200 million each year.
- Established (3) loan guarantee programs providing access to capital:
  - *Capital Access Program*
  - *Export Finance Guarantee Fund*
  - *Emerging Technology Fund*
- Streamlined the environmental permitting process for new and expanding facilities.
- Established "Brownfields" law that provides liability protection, loans and grants, loan guarantees, cost overrun insurance, and tax credits of 25% or 50% for the environmental clean-up of sites.
- Restructured the electric utility industry, introducing competition into the marketplace.
- Established a single sales factor for income apportionment in the defense, manufacturing, and mutual fund industries, saving billions of dollars in taxes.
- Repealed the 5% sales tax on services and Internet access.
- Tripled the investment tax credit.
- Designated (36) Economic Target Areas across the state to stimulate job creation, attract new business, and encourage business investment.
- Doubled the personal exemptions for earned income with a full value savings of \$443 million.
- Reduced the personal income tax on dividend and interest income from 12% to 5.95%.
- Eliminated the capital gains tax on assets held for at least six years.

Massachusetts has reduced workers' compensation premiums by 48% since 1993, saving employers more than \$2 billion.

## Strategic Location

With its proximity to airports throughout the region, Massachusetts is just a one-hour flight from 40% of the U.S. market and 67% of the Canadian market. Airport capacity is currently expanding with a \$1 billion modernization program for Boston's Logan International Airport, due to be completed in the year 2005.

Massachusetts' superior transportation links include an efficient network of more than 34,000 miles of roads and highways. The Massachusetts Turnpike (I-90) alone contains nearly 600 miles of Interstate highway, which puts nearly half of the population of the United States within a 12-hour drive. In addition to its highway system, Massachusetts has over 1,200 miles of active railroad lines and is served by 9 rail centers. Direct rail-to-port access makes intermodal transportation a major feature of the state's transportation network.

Massachusetts has six deep-water seaports (Boston, Fall River, Gloucester, New Bedford, Salem, and Plymouth) that are located one day closer to Europe than other major U.S. ports.

The first

computer, a non-electronic  
“differential analyzer,” was  
developed by

Dr. Vannevar Bush

of M.I.T.

in 1928







## Well-Positioned for Living

Of course, Massachusetts is not all about business.

Massachusetts offers dramatic scenery, a wealth of cultural and historical activities, hundreds of miles of pristine beaches, major-league sports, great shopping, and delicious seafood. Explore the state's historic sites and you'll experience the events, the places, and the people that shaped America's beginnings.

Travel the state's back roads and you'll come across classic New England communities with white clapboard houses, steepled wooden churches, and immaculate village greens. Massachusetts offers memorable experiences you'll find nowhere else, like enjoying a baseball game from the bleachers of historic Fenway Park or listening to the Boston Symphony Orchestra as you picnic under a star-studded sky at Tanglewood.

During the summer months, you'll fall in love with Cape Cod's warm-water beaches, the Berkshires' scenic hiking and biking trails, maritime festivals along the South Coast, and cultural events such as dance, theater and music performances which occur throughout the state.

In the fall, we're famous for our spectacular display of blazing crimson, orange, and yellow foliage along the Mohawk Trail. Winter brings downhill and cross-country skiing, old-fashioned holiday celebrations, and art-filled New Year's Eve events.

## Helping You Succeed in Massachusetts

The Massachusetts Office of Business Development can help you get started on your business venture with a streamlined approach to economic development assistance. One call to any of our Regional Offices will put you in direct contact with a Project Manager who will efficiently and effectively assist in all of your business needs.

**Call 1-800-5-CAPITAL today for more information.**

# MASSACHUSETTS

OFFICE OF

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**Jane Swift**

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